

1                                   **MINUTES OF THE SPECIAL WORKSHOP MEETING**  
2                                   **OF THE EMERALD ISLE BOARD OF COMMISSIONERS**  
3                                   **FY 17-18 RECOMMENDED BUDGET**  
4                                   **TUESDAY, MAY 16, 2017**  
5                                   **1:30 PM – TOWN ADMINISTRATION BUILDING**

6  
7    **1. Call to Order**

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9    The special workshop meeting of the Emerald Isle Board of Commissioners was called to order  
10 by Mayor Barber at 1:30 pm.

11  
12   **2. Roll Call**

13  
14    Present for the meeting: Mayor Eddie Barber, Commissioners Candace Dooley, Floyd Messer,  
15 Jim Normile and Maripat Wright.

16  
17    Absent for the meeting: Commissioner Steve Finch

18  
19    Others present: Town Manager Frank Rush, Town Clerk Rhonda Ferebee, Finance Director  
20 Laura Rotchford, Town Planner Josh Edmondson, Public Works Director Artie Dunn, Parks and  
21 Recreation Director Alesia Sanderson, Fire Chief Bill Walker, and Police Chief Tony Reese.

22  
23    Also present: El EMS, Inc. Board of Directors Chairman Jerry Albright.

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25   **3. Adoption of Agenda**

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27    ***Motion was made by Commissioner Messer to adopt the Agenda. The Board voted***  
28 ***unanimously 4-0 in favor. Motion carried.***

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30   **4. Public Comments**

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32    There were no comments from the public.

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34   **5. Resolution Authorizing Debris Removal Contract – Islander Drive Land**

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36    Town Manager Frank Rush discussed the Resolution authorizing a contract for the removal of  
37 all concrete and debris at the Islander Drive property. Town Manager Rush had also included  
38 copies of the four bids as summarized in the Resolution. Town Manager Rush noted the low  
39 bidder was Watson Landing Clearing for \$57,850 and the Town's contract would be for 71.95%  
40 of that total with the Town's total cost being \$41,623. Town Manager Rush stated that was  
41 somewhat below what had been budgeted for this so that would be very helpful going forward.  
42 Town Manager Rush noted the other three bids, even though there was no requirement for  
43 three bids with the informal process, but he appreciated them all submitting a bid. Town  
44 Manager Rush said he went extra lengths to clarify in the Resolution that although Bobby

1 Watson who owned Watson Land Clearing, and Ronnie Watson who would ultimately acquire  
2 the batting cage, were brothers there was no connection with any of their companies involved;  
3 Town Attorney Richard Stanley had also reviewed and was completely comfortable with this as  
4 well, and he felt confident in the integrity of the bid process. Town Manager Rush said  
5 assuming the Board approved the Resolution, they planned to close on the property at the end  
6 of the next week and he was tentatively planning on having Watson Land Clearing out by June 5  
7 to get started.

8  
9 ***Motion was made by Commissioner Messer to approve the Resolution Authorizing Debris***  
10 ***Removal Contract – Islander Drive Land. The Board voted unanimously 4-0 in favor. Motion***  
11 ***carried.***

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13 **6. General Comments**

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15 Town Manager Frank Rush explained to the Board how they had approached the sales tax in  
16 the budget with the Harry Brown SB126, still hopeful that the bill would ultimately be defeated  
17 or delayed.

18  
19 **7. FY 17-18 Recommended Budget Presentations / Q & A**

- 20  
21 a. Planning and Inspections  
22 b. Public Works / Solid Waste  
23 c. Parks and Recreation  
24 d. Fire Department  
25 e. Police Department  
26 f. Emerald Isle EMS, Inc.  
27 g. Governing Body / Legal / Administration / NonDepartmental / Debt Service  
28 h. Transfers to Other Funds / Other Funds  
29 i. 5-Year Capital Replacement / Improvement  
30 j. 5-Year General Fund Forecast

31  
32 Town Manager Rush and all Department Heads summarized and discussed with the Board each  
33 of their budget requests, priorities and goals for the Fiscal Year 2017-2018.

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35 **8. Employee Compensation, Benefits**

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37 Town Manager Rush discussed employee compensation noting that the CPI at the end of March  
38 was 2.2% and that was in the budget for every single position. Town Manager Rush noted as  
39 the department heads in several departments had mentioned there were several employees  
40 that they wanted to advance and at this point there was just the budget money there but he

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1 was certainly going to review going forward and it was not automatic that those adjustments  
2 would be made but they had included the money during budget decisions to provide the  
3 flexibility going forward.  
4

5 Town Manager Rush also discussed the issue of health insurance and unless the Board  
6 disagreed, they were going to notify the NC League of Municipalities and let them know we  
7 would switch to their plan (MedCost) beginning July 1. Town Manager Rush said the plan  
8 worked exactly as our current plan and the network was comparable with no significant  
9 problems for our employees with the new network. Town Manager Rush said that the plan had  
10 no coverage to \$3,000 and following that \$3,000 deductible being met 100% coverage, the  
11 Town contributed \$2,000 to health savings accounts for employees so they were really only  
12 responsible for the gap between the \$2,000 and \$3,000 deductible. Town Manager Rush said  
13 he had budgeted an increase in the health savings account contribution from \$2,000 to \$2,200  
14 which would reduce the gap to only \$800 which would help the employees a little more, and he  
15 had essentially included that increase in the budget because the Town would see savings by  
16 switching to the League's plan, with our premiums going from \$607 per month to \$578 per  
17 month. Town Manager Rush suggested to the Board that they should invest that savings in the  
18 employees.  
19

20 Town Manager Rush noted that if the Harry Brown sales tax impact came full circle and they  
21 needed to cut \$47,000 his recommendation would be to scale the health savings contribution  
22 back from \$2,200 to \$2,000 and keep as is which would free up \$11-\$12,000. Town Manager  
23 Rush said if forced to come up with another \$47,000 because of the Harry Brown bill he would  
24 get \$11,000 from the health savings and would probably come back to the Board to come up  
25 with the other \$36,000, asking if they would prefer to eliminate or delay the Parks Maintenance  
26 position or whether they would prefer to delay one of the police vehicles for another year,  
27 those just being two options, and there may be other things that the Board felt were not  
28 needed.  
29

30 Town Manager Rush indicated he would plan on the 2.2% pay increases and the switch to the  
31 League's MedCost health plan with \$2,200 health savings account contributions unless the  
32 Board objected.  
33

34 **9. Additional Board Discussion**  
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36 Commissioner Messer said a lot of hard work had gone into the budget and he thanked Town  
37 Manager Rush. The Board agreed with his comments.  
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1 **10. Adjourn**

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3 ***Motion was made by Commissioner Messer to adjourn the meeting. The Board voted***  
4 ***unanimously 5-0 in favor. Motion carried.***

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6 ***The meeting was adjourned at 4:00 pm.***

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8 Respectfully submitted:

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12 Rhonda C. Ferebee, CMC, NCCMC

13 Town Clerk